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MEMORANDUM

To: Jim Zolnierrek, Illinois Commerce Commission
From: Coalition for Community Solar Access
Re: Notice of Inquiry Regarding Energy Affordability (20-NOI-01)
Date: September 30, 2019

Mr. Zolnierrek,

Thank you for your interest in improving energy affordability in Illinois. Energy costs disproportionately impact low- and moderate-income (LMI) customers so it is important that utility commissions continually look for ways to reduce this burden. CCSA's comments below summarize a few key challenges that community solar providers have experienced working in Illinois' Solar For All Program and Adjustable Block Program.

CCSA is a member-led trade organization, comprised of over 60 member companies, that works to expand access to clean, local, affordable energy nationwide through community solar. Our mission is to empower energy consumers of all socio-economic levels, by increasing their access to reliable clean energy. Community solar projects provide American homeowners, renters and businesses access to the benefits of solar energy generation unconstrained by the physical attributes of their home or business, like roof space, shading, or whether or not they own their residence or building. Importantly, these programs also expand access to solar energy to low-income households. CCSA, in partnership with a thriving network of non-profits, affiliate trade associations, and allied stakeholders, serves as the central voice for the community solar industry in developing vibrant and sustainable markets for community solar across the country. CCSA and its members have been actively engaged in helping to shape the Illinois community solar industry since 2016.

As a pretext for our brief comments regarding this Notice of Inquiry, it is important to understand the role that community solar plays in expanding solar access to LMI households and how it can pass along important energy bill savings to subscribers. Over the past decade, many states around the country have added community solar options for their residents. These programs, which have successively been formed on past successes and lessons learned, have had the effect of creating a robust national industry now serving tens of thousands of customers across the country. As the community solar model has become a known entity to financiers, contracts have become much more flexible and much easier to cancel. In addition, participating in community solar typically requires no upfront payment and can travel with customers when they move. In all, it has become one of the easiest ways for low-to-moderate income subscribers to participate in the savings that solar can provide. It is also a far more cost-effective way for tax payers and ratepayers to provide savings on LMI

utility bills, as compared to some other energy assistance programs. Importantly, participation in community solar also supplants or reduces subscribers' needs to rely on other forms of energy assistance.

Assistance programs

- 1) What distributed and community solar programs are currently available to customers that increase affordability and/or the ability of customers to receive essential levels of electric services, how effective are the programs at achieving these objectives, and what changes could make the programs more effective?*

CCSA greatly appreciates the fact that Illinois is committed to serving low-income customers through the Illinois' Solar for All (ILSFA) Program. The ILSFA Program allows for a very limited amount of community solar capacity to be designated for low-income community solar participation, so the ILSFA community solar program received more applications than slots available. According to the Program Administrator, 45 applications were initially submitted and 12 projects chosen. Given the higher-than-available demand for low-income community solar participation, it is important to recognize that there is much more room to grow within that structure.

While this is still a new program, there is still much to be done to improve its feasibility and impact. CCSA members who are participating in the ILSFA Program have generally found the regulatory structure in Illinois to be challenging and burdensome, compared to working in many other states. It is important to protect all customers from fraud and abuse, particularly those that have historically been targeted in deceptive marketing practices. Community Solar, however, is very different than retail supply in its structure and availability. Community Solar providers are signing customers up to participate in tangible clean energy assets, rather than short term contracts based on energy futures markets. As a result, providers strive to maintain high subscription levels and long-term relationships with their subscribers. As such, it is very important to community solar providers that customers understand their contracts and know who they can contact to address problems, should they arise. The ILSFA program's decision to apply very onerous marketing requirements based on the retail supply industry has created a very costly financing structure for projects under which development and customer acquisition has been disproportionately more burdensome. It has also been challenging to meet the jobs requirements of FEJA, given that there are very few Illinois-based job training programs from which to pull qualified candidates. The end result is a small program that will likely not be able to scale in any meaningful way, without structural change.

Moreover, applying for interconnection is much riskier of a prospect for low-income community solar project developers. ComEd requires large up-front deposits for interconnection, which well-financed developers can typically pay. For non-profits and smaller developers, however, these deposits are typically unworkable, particularly if the project has not been guaranteed space in the program.

Perhaps more specifically relevant to the issue of low-income energy affordability, it has been extremely counterproductive and counterintuitive that low-income customers who receive LIHEAP benefits and budget billing services effectively cannot participate in community solar in Illinois. The regulatory structure that prevents these customers from participating in a much-needed energy savings program needs to be changed in order to allow community solar savings to flow to those most vulnerable to high energy costs. Based on conversations with CCSA members, it appears that, when customers are enrolled in LIHEAP, energy assistance funding must flow directly through the utility and not to a third party such as a community solar provider. LIHEAP can only be used towards a utility company for the charges for having electricity sent to that property, but cannot be used to pay a third-party energy source, which does not include community solar providers. Furthermore, when customers are participating in budget billing, utilities have stated that they are only able to apply a community solar credit to a customer's bill once a year, during the annual true-up period. This situation is completely unworkable for low-income subscribers, who need instant savings on their bill.

2) Are there programs not currently available in Illinois, including programs adopted in other states, that could increase affordability and/or the ability of customers to receive essential levels of electric services?

On-bill repayment for community solar (net crediting) eliminates the need for an additional bill that subscribers have to pay and is probably the single most important thing that a regulatory agency can focus on to facilitate low-income participation in community solar. While CCSA recently opposed ComEd's proposed voluntary consolidated billing arrangement in 19-1121 on the basis that it was too risky and not feasible for Community Solar providers, our members would be very interested in providing guidance on a structure that would be much easier for providers to incorporate. For instance, a net crediting option could solve the problem mentioned above by allowing low income customers the choice to enroll in community solar knowing their energy assistance eligibility would not be at risk.

CCSA appreciates the Commission's attention on this important subject and we are happy to participate in any upcoming forums to discuss innovative ways to improve energy affordability through community solar.

Sincerely,



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